



ENERGY ASSURANCE DAILY

Wednesday Evening, June 29, 2016

Major Developments

Update: No Timeline for Restart of Enterprise's 1.5 Bcf/d Pascagoula Gas Processing Plant in Mississippi June 29 after Explosions June 27; Destin to Provide Access to VKGS

Destin Pipeline on Tuesday night said Enterprise Products Partners had not indicated when it will resume operations at its gas processing plant in Pascagoula, Mississippi, which was shut on Monday after it experienced two explosions and resulting fires. Enterprise said its plant will not be operable until a full damage assessment is completed. On Tuesday morning, Destin Pipeline declared a force majeure event due to Enterprise's inability to process gas at the plant and said it was unable to provide gas transportation service from all of its offshore receipt locations. On Wednesday, Destin said it aimed to provide shippers impacted by the force majeure access to the Viosca Knoll Gathering system (VKGS) delivery point by Wednesday evening, pending successful testing of meters and good weather. At least two offshore oil platforms were forced to halt operations in the Gulf of Mexico due to the shutdown of the Destin pipeline, several companies said. Workers were en route to the MP260 and MP261 platforms to complete work needed to reverse the flow from MP260 to VKGS. Total gas flows from MP260 into VKGS will be about 350 MMcf/d. Once service to VKGS is established, Destin said it will only be able to flow the gas for two to five days because it cannot deliver condensate liquids to VKGS and will need to store them in the 36-inch main line. Once condensate volumes in the main line reach 8,000 barrels, Destin said it will have to shut the VKGS deliver option. The 225-mile Destin gas pipeline system can carry 1.2 Bcf/d from offshore producers to the Pascagoula plant, and then further north to interconnections with six major interstate gas transmission lines. The VKGS is capable of delivering approximately 600 MMcf/d of gas per day into the facilities of a number of major onshore interstate pipelines including Tennessee Gas Pipeline, Columbia Gulf Transmission, Southern Natural Gas, Transcontinental Gas Pipe Line, and Destin Pipeline Company.

<https://bp.trellisenergy.com/ptms/public/infopost/viewNotices.do?noticeCategoryId=308201&tspId=1&proxyTspId=1&menuId=menu-info-posting-notices-critical>

<https://bp.trellisenergy.com/ptms/home.do>

Reuters, 16:29 June 28, 2016

Reuters, 13:50 June 29, 2016

Reuters, 14:23 June 29, 2016

Electricity

PSE&G's 1,092 MW Salem Nuclear Unit 2 in New Jersey Shut June 28

The unit shut from full power due to a reactor trip on the main generator protection signal.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160629en.html>

Update: Talen's 1,105 MW Susquehanna Nuclear Unit 1 in Pennsylvania Ramps Up to 90 Percent by June 29

On the morning of June 28 the unit was operating at 50 percent after restarting on June 27. Unit 1 was manually shut down on June 6 due to a water leak inside the unit's containment structure. During an inspection of the area, a second minor leak was identified on June 8 from a pipe beneath the reactor vessel.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

<http://talenenergy.investorroom.com/2016-06-27-Susquehanna-Unit-1-Reconnected-to-the-Power-Grid-Following-Maintenance-Outage>

FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Reduced to 86 Percent by June 29

On the morning of June 28 the unit was operating at 96 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

Energia Azteca X's 180 MW Gas-fired Unit in California Shut by June 28

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201606281515.html>

RRI Energy's 775 MW Ormond Beach Gas-fired Unit 2 in California Reduced by June 28

The unit entered an unplanned curtailment of 375 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201606281515.html>

Potomac Edison Begins Construction on 34.5 kV Power Line Project in West Virginia June 28

Potomac Edison, a subsidiary of FirstEnergy Corp., began construction of a new 14.5-mile power line as part of a project to enhance service reliability for more than 2,200 customers in rural Hardy County, West Virginia, including a nearby compressor station for a major natural gas pipeline. The new power line is the centerpiece of a project that will link an existing substation near Baker, West Virginia to a new substation that will be built in Mathias, West Virginia, in 2017. The new substation will include three transformers and be located adjacent to a natural gas compressor station in Hardy County. The new line and substation are expected to be completed and energized by the end of December 2017.

https://www.firstenergycorp.com/newsroom/news_releases/construction-underway-on-potomac-edison-power-line-project-in-ha.html

Petroleum

Update: PBF Energy to Restore Output at Its 212,000 b/d Delaware City, Delaware Refinery by June 29 after Brief Disruption June 28 – Source

PBF Energy expects to restore production run cuts within 24 hours after an upset early on Tuesday with a 49,000 b/d coker at its Delaware City, Delaware, refinery, according to a source familiar with the plant's operations. PBF Energy reported on a local community line on Tuesday morning that a flare system was activated due to an operational upset at the refinery.

Reuters, 17:32 June 28, 2016

ExxonMobil Reports Equipment Malfunction at Its 238,600 b/d Joliet, Illinois Refinery June 28

ExxonMobil reported a hydrogen plant process equipment malfunction led to flaring at its Joliet, Illinois refinery on June 28, according to a filing with the Illinois Emergency Management Agency.

Reuters, 4:06 June 29, 2016

Update: Shell Says Operations Normal at Its 316,000 b/d Deer Park, Texas Refinery after FCCU Restart June 29

Royal Dutch Shell said operations were normal at its Deer Park, Texas refinery on June 29. Earlier, energy intelligence provider Genscape reported that the restart of the 70,000 b/d fluid catalytic cracking unit (FCCU) was completed. The 70,000 b/d FCCU was shut on June 21 to repair a leaking line on the unit. A clamp was fabricated on June 23 to stop the leak.

Reuters, 10:55 June 29, 2016

Tesoro Conducting Unplanned Maintenance at Its 120,000 b/d Anacortes, Washington Refinery June 28

Tesoro Corp was conducting unplanned maintenance at its Anacortes, Washington refinery, a spokesman said on Tuesday. The spokesman would not specify the scope of the work, but a trade source said maintenance was under way on a fluid catalytic cracking unit.

Reuters, 14:09 June 28, 2016

Phillips 66 Reports Process Upset at Its 120,200 b/d Rodeo, California Refinery June 28

Phillips 66 reported flaring from a process upset at its Rodeo, California refinery on June 28, according to a filing with the California Emergency Management Agency.
Reuters, 22:49 June 28, 2016

Phillips 66 Shuts, Restarts RTO at its 247,000 b/d Sweeny, Texas Refinery June 28

Phillips 66 reported it shut and restarted a regenerative thermal oxidizer (RTO) on June 28.
Reuters, 15:49 June 28, 2016

U.S. Crude Stockpiles Fall 4.1 Million Barrels June 24 – EIA

U.S. crude inventories fell 4.1 million barrels in the week to June 24, the sixth consecutive week of drawdowns and bigger than the 2.4 million barrel drop forecast by analysts, the U.S. Energy Information Administration (EIA) said. Refinery crude runs rose 190,000 b/d as utilization rates rose 1.7 percentage points to 93 percent of total refining capacity, EIA data showed.
Reuters, 11:23 June 29, 2016

Magellan to Start-Up Its 75,000 b/d Oil Products Pipeline in Arkansas June 29

Magellan Midstream Partners said Wednesday it will start a 200-mile oil products pipeline from Ft. Smith, Arkansas to Little Rock, Arkansas, and expects to begin transportation and distribution of refined products on July 5. The pipeline will be able to transport various grades of gasoline and ultra-low sulfur diesel fuel into the Little Rock market. Jet fuel will be available in the second quarter of 2017.
Reuters, 14:13 June 29, 2016

Natural Gas

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas June 28

Regency reported the acid gas injector (AGI) compressor shut on high fourth stage discharge pressure due to a dehydrator discharge valve malfunction. The dehydrator was bypassed and the AGI compressor was reset and restarted.

<http://www2.tceq.texas.gov/oce/ee/index.cfm?fuseaction=main.getDetails&target=236501>

Other News

Oakland City Council Votes to Ban Coal Shipments through Proposed Marine Terminal in California June 27

The Oakland City Council on Monday voted unanimously to bar rail shipments of coal, mined in Utah, through Terminal Logistics Solutions' proposed marine terminal in Oakland, California. Opponents argued it would harm health and exacerbate climate change while proponents said it would provide good jobs in an impoverished area. A lawsuit is expected from businesses associated with shipping the coal and petroleum coke through the terminal. Environmental groups in 2015 sued to stop construction of the terminal, which is proposed for a former U.S. Army base.

<http://www.reuters.com/article/us-oakland-coal-terminal-idUSKCN0ZE0ES>

<https://www.facebook.com/MayorLibbySchaaf>

Kinder Morgan Sells 50 Percent Equity Interest in Utopia Pipeline Project in Ohio to Riverstone Investment Group June 28

Kinder Morgan on Tuesday announced that Riverstone Investment Group will become a 50 percent partner in the Utopia Pipeline Project. The Utopia Pipeline is a common carrier project that will include approximately 215 miles of new, 12-inch diameter pipeline constructed within the state of Ohio from Harrison County to Fulton County. The pipeline will connect with an existing Kinder Morgan pipeline and associated facilities in order to transport ethane and ethane-propane mixtures to petrochemical companies operating in Ontario for use as a feedstock.

<http://ir.kindermorgan.com/press-release/kindermorgan/kinder-morgan-sells-50-equity-interest-utopia-pipeline-project-riverstone>

Iraq's Oil Exports Set to Decline in June – Loading Data, Source

Iraq's oil exports are set to decline in June for a second month, according to loading data and an industry source. Iraq's southern exports in the first 29 days of June averaged 3.14 million b/d, according to loading data tracked by Reuters and an industry source, down 60,000 b/d from May. Northern shipments of crude from fields in the semi-autonomous Kurdistan region have fallen to 480,000 b/d so far in June, according to loading data, from 510,000 b/d in May.

Reuters, 10:29 June 29, 2016

Energy Prices

U.S. Oil and Gas Prices			
June 29, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	49.80	49.11	58.41
NATURAL GAS Henry Hub \$/Million Btu	2.86	2.76	2.77

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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